

MARKETING

PRINCIPLES AND APPLICATIONS



Rowland Worlu
Omotayo Adegbuyi
Joseph Kehinde



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DEDICATION

To all marketing students in Covenant University, both past and present.

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A good text is hardly the product of one or two minds. Thus we are grateful to the authors of all the materials consulted. We also acknowledge the valuable contributions made by our students in Covenant University through active class participations.

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FOREWORD

The turbulence in the business environment and the ever-changing needs of consumers make it desirable to have a maze of texts that equip the students and sharpen the skills of the practitioner. This is why this book has come to fill a gap.

I was privileged to peruse through the chapters and my impression is that this book has surfaced at the appropriate time to address the segmented quagmire in the business environment occasioned by economic reforms, competition, and changing consumer needs.

The aim of this book, to my mind, is to provide a modern and basic text for beginners in business studies in the Universities. The book also takes into account the needs of students preparing for professional examination in marketing and related disciplines. The interest of the practising manager who constantly needs to refresh and update his knowledge is also covered in this book.

While I commend the zest of the authors in recognizing the need for a book of this nature, I encourage those who have a need for a reliable marketing text to avail themselves of the opportunity offered by this book.

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PREFACE

Ideally, marketers do not create need but respond to it. This fact is only familiar to a person whose grip on concepts and principles of marketing is firm. This becomes particularly urgent now that marketing is changing to meet the need of the changing world. Thus, people need to understand marketing from the point of view of consumers and citizens.

People are always trying to sell something to us, so we need to recognize the method they use. When seeking for jobs, people have to market themselves. This text, therefore, provides a comprehensive introduction to marketing from the practical as well as theoretical perspective. It is rich in real-world illustrative examples and applications, showing the major decisions that marketers face in their efforts to balance the organization's objectives and resources against the needs and opportunities in the market place.

The issues indicated above make the content and structure clear, practical, fresh, lively, and an enjoyable learning experience. It is designed to serve as introductory marketing text for students of Business Administration, Economics, Marketing, Finance, etc.

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CHAPTER 1

NATURE AND SCOPE OF MARKETING

LEARNING OBJECTIVES

At the end of the topic, the reader should know the following:

- i. The nature and Scope of Marketing
- ii. The Meaning of Marketing
- iii. The Historical Basis of Marketing
- iv. The Marketing Functions

1.1 INTRODUCTION TO MARKETING

Nature and scope of marketing

Marketing is at the centre of humanity. This is because it finds expression in exchange process.

As society grows, it becomes imperative to effect exchange through the performance of ancillary functions (like analysis, communications, valuation, production, distribution, etc) which fall within the purview of marketing.

However, at the very fundamental level, the concept of marketing tends to accentuate the activities that occur between the point of production and consumption.



Figure 1: Simple Marketing Process.

Here we notice that the marketing activities are presumed to begin from the end of the production line and continues up to the point of consumption. This concept of marketing here is inadequate because there is need for customer's satisfaction, thus a better concept can be shown as follows:



Figure2: Improved Marketing Process

This shows that the marketer monitors the post purchase behaviour of the customer with a view to revising marketing plans in the light of the result obtained. But this does not show the whole picture because of the need for pre-production activities of identifying and analyzing customer need.

The diagram below gives a more comprehensive insight into the nature and scope of marketing:



Figure 3: Comprehensive Marketing Process In The Firm (With The Aid Of Marketing Research)

1.2 DEFINITION AND MEANING OF MARKETING

Marketing, as a profession, has been variously defined by scholars and groups. The American marketing Association committee on Definitions says that marketing is "the performance of business activities that direct the flow of goods and services from producer to consumer or user" Here marketing is likened to the traffic warden.

This definition is rickety and inadequate because it suggests that marketing operation begins from the end of production line to the point of consumption. Marketing obviously entails more than production orientation, which the definition reflects. Marketing processes begin long before the goods go into production and continues after the goods have been purchased because the marketer has to monitor the post purchase behaviour of the consumer to enable him revise marketing plans in the light of result.

A somewhat broader definition of marketing was given years ago, by Paul Mazur. He said that marketing is the delivery of a standard of living to the society. The beauty of this definition is that it portrays marketing as the link between society's need and industrial response. It further shows that marketing takes active part in the development of a nation.

However, Malcolm McNair of Harvard University fine-tuned Mazur's definition to read that marketing is the creation and delivery of a standard of living to society. By this fine-tuning, McNaire underscored the need to recognize production activities as part and parcel of the entire marketing process.

William Stanton, in his work, argued that the foregoing definition lacked precision. In an attempt to correct this shortcoming, he defined marketing as a total system of interacting business activities designed to plan, price, promote, and distribute want satisfying product and services to present and potential customers. Here Stanton only

Apart from training people to succeed in establishing, maintaining and enhancing long-term customer relationship, at a profit, marketing seeks to make people become enlightened consumers irrespective of their ultimate location in life. In other words, marketing is a discipline designed to equip the practitioners and develop a critical mass of consumers capable of making full use of the resources at their disposal.

Building on this fundamental focus, this text articulates the basic theories and practical rules, which help the student develop analytical approach to the study of marketing in preparation for further studies. The practitioner will also discover that the text puts at his fingertips the techniques and processes necessary for a giant stride in all marketing operations.

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